

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2197 - HB 2042

February 13, 2014

SUMMARY OF BILL: Requires funds appropriated by a local government to a local education agency (LEA) for non-recurring expenditures through a written agreement with an LEA to be apportioned in accordance with the requirements of Tenn. Code Ann. § 49-3-315.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Counties that contain multiple LEAs and who chose to make non-recurring appropriations to such LEAs will be required to apportion the funding between the LEAs in accordance with the weighted full-time equivalent average daily attendance (WFTEADA) of each LEA. The practical effect could be an increase in county expenditures, a decrease in county expenditures, no change in county expenditures, or a shift in appropriated funding from LEA to LEA. Any net change in local government expenditures, or shifting appropriations among LEAs, will be based on the permissive actions taken by county legislative bodies. Such permissive actions will be dependent upon several unknown factors; as a result, the net fiscal impact to local government expenditures cannot be quantified.

Assumptions:

- No change in the Basic Education Program (BEP) funding formula.
- Based on information received from the Department of Education, the appropriation of non-recurring expenditures by county funding bodies to LEAs is permissive.

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- Any change or shift in local funding for non-recurring expenditures to LEAs is dependent upon several unknown factors, including but not limited to, the extent of appropriations that will be made from a county to the LEAs within such county in any given fiscal year, the needs of the county and the needs of the LEAs within such county in any given fiscal year, and the extent of revenue received and available to a county for the purpose of making appropriations to the LEAs within such county in any given fiscal year. Given the number of unknown factors, the extent of any net change in local government expenditures, or the extent of any shift of appropriations among LEAs, cannot be quantified.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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